

Open Research Online

The Open University's repository of research publications and other research outputs

The Effect of Digitisation and "Big Data" on Formation Marketing Strategy: A Financial Service Study

Thesis

How to cite:

Grishikashvili, Ketty (2015). The Effect of Digitisation and "Big Data" on Formation Marketing Strategy: A Financial Service Study. MRes thesis The Open University.

For guidance on citations see [FAQs](#).

© 2014 The Author



<https://creativecommons.org/licenses/by-nc-nd/4.0/>

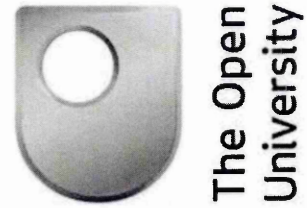
Version: Version of Record

Link(s) to article on publisher's website:

<http://dx.doi.org/doi:10.21954/ou.ro.0000efbd>

Copyright and Moral Rights for the articles on this site are retained by the individual authors and/or other copyright owners. For more information on Open Research Online's data [policy](#) on reuse of materials please consult the policies page.

oro.open.ac.uk



The Effect of Digitisation and “Big Data” on Formation Marketing Strategy: A Financial Service Study

Dissertation

By

Ketty Grishikashvili

The Open University Business School

Milton Keynes

United Kingdom

11/09/2014

Date of Submission: 30 September 2014

Date of Award: 8 February 2015

ProQuest Number: 13834831

All rights reserved

INFORMATION TO ALL USERS

The quality of this reproduction is dependent upon the quality of the copy submitted.

In the unlikely event that the author did not send a complete manuscript and there are missing pages, these will be noted. Also, if material had to be removed, a note will indicate the deletion.



ProQuest 13834831

Published by ProQuest LLC (2019). Copyright of the Dissertation is held by the Author.

All rights reserved.

This work is protected against unauthorized copying under Title 17, United States Code
Microform Edition © ProQuest LLC.

ProQuest LLC.
789 East Eisenhower Parkway
P.O. Box 1346
Ann Arbor, MI 48106 – 1346

Acknowledgment

I would like to thank my supervisors Prof Sally Dibb and Maureen Meadows for the continued help and support during my MRes course. Their detailed feedback and comments contributed into forming this research and thesis. I would also like to thank Ann Smith and Debby Hing for the support throughout the programme. I am also very grateful to True Potential Network who gave me access to the participants for interviews and to the participants for my research, who have kindly gave up their time for the interviews.

Last but not least, I would like to thank my family and friends who were supporting me throughout the programme whole year.

Table of Contents

Abstract.....	6
Chapter 1.....	7
1.0 Introduction.....	7
1.1 Background	7
1.2 Financial Services Sector.....	10
1.3 Aims and Objectives.....	12
1.4 Dissertation Structure.....	13
 Chapter 2- Literature Review	15
2.0 Introduction.....	15
2.1 Digital Marketing and Big data	15
2.2 Effects and challenges of digitisation on financial service sector.....	19
2.3 Lack of general technical knowledge– A digital skill gap.....	21
2.4 Summary	23
 Chapter 3 - Research Design and Methodology.....	24
3.0 Introduction.....	24
3.1 The design of the Research Project.....	24
3.2 Research Approach	25
3.3 Research Design.....	25

3.4 Methods of Data Collection.....	28
3.4.1 Primary Data Collection Methods.....	28
3.4.2 In-depth interviews.....	29
3.4.3 Secondary Data Collection Methods.....	30
3.5 Ethical consideration.....	30
3.6 Summary.....	31
Chapter 4 - Data Collection and Analysis.....	32
4.0 Introduction.....	32
4.1 The process of Data Collection.....	32
4.1.1 In –Depth interviews.....	32
4.1.2 Unit of analyses	33
4.1.3 Sampling.....	34
4.1.4 Data from Secondary Sources.....	35
4.2 Data Analysis	36
4.3 Summary.....	40
Chapter 5- Interpreting Data	41
5.0 Introduction.....	41
5.1Big Data-related opportunities, issues, and challenges in the financial services sector.....	41
5.2Relationship between better quality customer data and decision-making process.....	45

5.3 Targeting approach.....	46
5.3.1 Obtaining new clients.....	46
5.3.2 Managing existing customers	47
5.4 Overall issues and limitations	47
5.5 Summary.....	49
Chapter 6- Findings and conclusion.....	50
6.0 Introduction.....	50
6.1 Research Findings.....	50
6.2 Limitation of his study.....	51
6.3 Future Research.....	52
Conclusion	54
Bibliography	55
Appendix A.....	64
Appendix B.....	66
Appendix C.....	69

Abstract

The increased accessibility of digitally sourced data (Big Data) and advanced analytic tools drives many industries to change their practises. Since the amounts of customer data that are gathered online grows rapidly, the use of “Big Data” tools and techniques that are able to handle and analyse a huge amount of data in real time have become invaluable for marketing strategy. The need to understand how to manage and analyse large scale commercial information (Big Data) in an effective and efficient way brings challenges for many companies. Marketers still have to put much effort into defining their digital strategy, in order to select the appropriate software tools and effectively utilise them to achieve their business goals. Much attention has been focused on the opportunities presented from the digital data, however, there is little attention on the real challenges companies are facing to implement and adopt these opportunities.

The research aims to investigate how the increasing amounts of customer data (Big Data) are being used to better understand and manage customers and explore how customer targeting practices and other strategic decisions are being affected by the availability of digital data in financial services sector.

In-depth interviews were undertaken with 7 independent financial advisors who were running their businesses under *True Potential financial* network UK.

The research found that there is a lack of skills for using technology for both employees and clients. Moreover, the full potential of big data for the marketing purposes is not understood in the financial service sector.

The digital marketing adoption and effects of Big Data should be subject to further research in the industry. Limitations for this research and suggestions for further research are discussed in the presented dissertation.

Keywords: Digital Marketing, Big Data, Customer Segmentation, Customer Relationship Management, Financial services.

Chapter-1

1.0 Introduction

To become or remain competitive in today's global marketplace, organisations are increasingly required to introduce and use an increasing amount of technological innovations. Against this backdrop organisations are embracing the increased accessibility of digitally sourced data and the advanced technology required to analyse it. Many companies are talking about the potential of "Big Data" and are considering the potential of analysing Big Data sets to derive competitive insight and shape marketing strategy decisions. However, successful and sustainable change is often not easy to implement, as existing systems and processes usually need to be built up over many years, and employees' knowledge of the new environment can be low. The interaction between organisations and digital technology is complex, being influenced by many factors, including an organisation's structure, business processes, politics, culture, internal and external environment, and management decisions. McAfee and Brynjolfsson (2012), for example, suggest that failure of leadership, lack of appropriate skilled management, poor decision-making, failure to adopt and implement new technology, and a company culture which is not fully open to a data-driven approach are all barriers to effective digital change. Therefore, it is necessary to understand the impact of Big Data on the management and working life of organisations. The choice of this specific topic is motivated by the need for improved understanding of the impact of digital technology on marketing strategy decision-making within organisations, and specifically on the effects on market segmentation and targeting practices in the financial services industry.

1.1 Background

In the era of the new digital economy and e-Society, the business world has been witnessing a huge revolution in all aspects of business (World Economic Forum. 2012). The need to understand how to manage and analyse large-scale commercial information (Big Data) in an effective and efficient way presents companies with an array of challenges. According to Smith (2001), the transformation of data into information and knowledge helps shape effective strategies of managing knowledge derived from market research. Market research is one of the most powerful business tools, as it enables companies to make important business

decisions in the development of new commercial opportunities (Marketing Your Business, 2014, pg. 7). The availability of good-quality customer data plays a crucial role in helping organisations make decisions about which customers or segments they intend to target. It is important for organisations to make clear decisions about which customers will be targeted with which product and service offerings. This process involves making decisions about which groups of customer segments are the most attractive to the business and the best fit for its capabilities. Bileviciene (2012) suggests that well-conducted market research is the basis for successful marketing and a well-conducted study about a potential market is the basis of successful market segmentation. “*Market segmentation refers to the process of defining and subdividing a large homogeneous market into clearly identifiable segments having similar needs, wants, or demand characteristics. Its objective is to design a marketing mix that precisely matches the expectations of customers in the targeted segment*” (Business Dictation, 2014). The goal for segmentation is to break down the market into different consumer groups. Market segmentation provides the basis for the selection of target markets. A target market is a chosen segment of the market that a company has decided to serve. Therefore the choice of the right segments for targeting and decision-making is crucial for business success. According to Simkin (2013) segmentation provides a number of advantages to the businesses which helps them to develop and capture opportunities available to them, such as:

Customer analyses: Market segmentation directs businesses to better understand their customers’ wants and needs, enabling questions about how, why, and what customers are interested in to be addressed more closely by marketers (Simkin, 2013);

Strategic marketing planning: Dividing up markets into segments enables businesses to concentrate on the particular need and requirements of customers in different segments during their planning process (Simkin, 2013);

Effective resource allocation: Focusing on a particular segment of customers can help businesses improve the effectiveness of personnel, material, and financial resources (Simkin 2013).

Jobber and Chadwick (2013) suggest that for the processes of marketing segmentation and targeting to be implemented successfully all relevant people in the organisation should be made aware of the reason for segmentation and its importance. In the past, segmentation was based on the use of a small number of variables, including geographic location. Other past examples include *demographic segmentation*, where markets are broken down into segments such as *age, gender, income*, and so forth, and *psychographic segmentation*, which involves

dividing the market into groups based on *social class, lifestyle, and personality attributes*, all of which have the potential to change a consumer's purchase behaviour (Kotler and Armstrong 2011). However, the availability of Big Data and powerful analytical tools has changed the way segmentation is done, resulting in many discussions and arguments in the field of marketing segmentation. Many researchers believe that the traditional demographic and geographic segmentation are out-dated and the theory regarding segmentation has become too narrow (Quinn and Dibb, 2010).

According to Lin (2002), variables such as *demographic, psychological, geographic and behavioural* variables should be a part of a new, expanded theory of market segmentation which focuses more on customers' personalities and values. The rapid development of digital technology and IT has influenced businesses to make comparative changes. New technology has expanded the opportunity to capture improved customer data and to focus on the relationship with the customer. It also allows marketers to divide the market into groups based on social class, lifestyle, and personality attributes which influence consumer purchase behaviour. Using improved information, managers can make more informed decisions, save time, and make a greater contribution to corporate and marketing success (Jobber and Chadwick, 2013). Higher-quality information can be retrieved from a large amount of digital data generated by all types of digital devices on a daily basis. These large data sets, known as Big Data, were not easily available in the past as use of the associated technology by non-professionals was not as prevalent as it is today. The current availability of Big Data has made a positive impact on marketing, making segmentation both innovative and more powerful, even allowing 'micro-segments' to be created. According to Simkin, (2013) micro-segmentation is "*the advent where the complexity of business operations and customer management requires highly granular thinking.*" It involves the characteristic of decision-making within each macro-segment based on *choice criteria, decision making, unit structure and decision making process*. Micro-segmentation requires a more detailed level of market knowledge and more personalisation, using information such as click-stream web data, which logs how people browse a particular site (Jobber and Chadwick, 2013).

To get value out of Big Data, the information which it yields needs to be handled by professional people who have the skills necessary to understand the dynamics of the market and identify what is relevant and meaningful (Royle and Laing. 2013). Leeflang *et al* (2014) point to an increased number of quantitative studies investigating specific research questions relevant to digital marketing. However, there are only a few studies that aim to identify the

importance of challenges within practice. Dibb and Simkin (2009) argue that “*the priorities of market segmentation research aim to explore the applicability of new segmentation bases across different products and contexts, developing more flexible data analysis techniques, creating new research designs and data collection approaches. However, practical questions about implementation and integration have received less attention*”. For various reasons, dilemmas can arise in the process of implementation, and changes brought by technology present challenges to both researchers and marketers alike. Reibstein *et al* (2009) highlights the emergent need for collaboration between academia and market practitioners. They point out that there is a “digital skill gap” within the marketing field and argue that although there are “theories-in-use” which are academically rigorous there is still a gap between theory and practice. Day (2011) also highlights the need for expert knowledge of digital marketing skills and the damage that can be caused if these skills are not used efficiently.

It is clear from the literature discussed in this section that one of the factors behind a failure to make full use of the available technology and data might be a lack of the skills required for using advanced technology. In theory, it is understood and agreed that the availability of Big Data creates a vast amount of opportunities for industry in terms of improving marketing strategies, such as taking a more targeted approach in delivering more personalised products and services. However, it is also clear that these opportunities are not fully explored in practice. This research will attempt to further investigate the current issues, and weaknesses, within the financial services sector, in order to understand why the potential of new digital technology and Big Data is not always fulfilled.

1.2. Financial services sector

The potential impact of digital technology varies widely by industry. Big Data opportunities arise both because there is more and better data available, and also because of the availability of the advanced analytical tools required to analyse this data. According to Big Data Analytics (TDWI research, 2011) by the year 2011 the rate of adoption of big data analytics (making use of data and analytics) differed by +/- 9 percent between industries, as demonstrated by the Figure 1 below.

Industry	Big data analytics adoption %
Investment Banking	39
Insurance	37
Telecoms	37
Manufacturing	37
Transport & Logistics	36
Retail Banking	36
Central Government	35
Energy & Utility	35
UK Economy	34
Retail	31
Healthcare	31
Professional Services	30
Other activities	34

Figure 1.1. Adoption Rates (Big Data Analytics 2014)

Big Data is already having a great impact on certain industries, such as the healthcare, industrial, and retail sectors. With the exception of the government sector, other sectors such as financial services, insurance, and mobile telecommunications which all offer virtual rather than physical products are more likely to be highly susceptible to digital transformation. It is envisaged that big data technology will help financial institutions maximise the value of data and gain competitive advantage and minimise costs (Big Data and Analytics, 2014). For example, according to *The Economist* (2012) digital transformation in financial services has enabled the use of high-performance computing to identify complex patterns of fraud within unstructured data, to a level of effectiveness which was not previously possible.

It has to be pointed out that the financial sector has witnessed major developments and significant growth in recent decades. Increased competition, entrance of new competitors, globalisation pressures, and the availability of advanced information technology impacted on financial services, enforcing radical changes in the sector (Kotler 2000; Lovelock 2001). The

UK financial services sector employs one million people and represents around 12 per cent of the national GDP (Jobber and Chadwick, 2013). Therefore, understanding the sector in the digital age and exporting the potential benefits of information technology forms an interesting and challenging area of investigation for marketing researchers.

In their white paper on Big Data technology in the financial services, Oracle makes a strong case for these services being in a position of advantage compared to other commercial enterprises in terms of having access to rich data (Oracle, 2012). Systems such as CRM, e-banking and other web-based tools generate rich data from which very personalised consumer behavioural patterns can be discerned. For this reason, the financial services sector is better positioned for adopting or developing new marketing strategies as a result of digitisation.

This project therefore aims to consider the impact that both digitisation and the move toward 'Big Data' are having on how customer relationships are managed in the financial services sector. In particular, the project will investigate how the ever-increasing amounts of customer data are being used to better understand and manage customers, and how customer targeting practices and other strategic decisions are being affected.

1.3 Aims and objectives

As discussed in the above section, the era of the Internet and digital information has introduced new opportunities for businesses to improve their relationships with customers and to take a more targeted approach with them. As the availability of customer data escalates, there is evidence that firms have become more adept in their use of analytics to gain reliable insights from this data, and such insights can influence how customers are managed and so help to shape strategic priorities. However, as well as creating commercial opportunities, this customer data also poses significant challenges for those working with it. By investigating independent financial advisors who are running their businesses under True Potential financial network UK, this project aims to understand how financial sector firms are responding to these challenges, the rewards which result from taking a successful approach, and the resultant implications for customer management and strategic priorities.

The main objectives of this research therefore are to:

Investigate how the increasing amounts of customer data (big data) are being used to better understand and manage customers.

Investigate the effects of digital data on market segmentation and strategic priorities

Explore how customer targeting practices and other strategic decisions are being affected by the availability of digital data.

Investigate the effects of digital data on market segmentation and strategic priorities.

The researcher will address the following question:

What have been the effects of digital data on marketing segmentation and strategic priorities?

Understanding the impact of digital data on market segmentation and decision-making entails an understanding of human phenomena, and exploring the meaning that people give to their experiences. For this reason, a qualitative research method seems to be the most appropriate approach for this study. Techniques such as interviews and observation will allow the researcher to explore the challenges in implementing digital change, and the benefits brought by the appropriate use of digital data. As discussed in the previous section, the financial services sector has been identified as a sector which not only features accessible large data sets but one which has also benefited from technological advances. For this reason interviews with financial advisers will allow the researcher to examine today's marketing tensions in the financial services sector, and to explore the individual experiences, perceptions, and feelings regarding the challenges and rewards faced by those financial service firms which have implemented digital change.

1.4. Dissertation structure

The research outlined here is a part of one year Master of Research programme. It is based on a limited sample of research interviews conducted with 7 advisers from the *True Potential* network within the UK. *True Potential* is one of the most innovative financial services groups

in the UK, providing a fully-integrated Wealth Platform which is designed specifically for financial services and used for communication between the advisers and clients.

This study aims to pilot methods which are expected to be employed more extensively in the PhD research phase.

This dissertation consists of six chapters. This chapter has outlined the research background, aims, and objectives. Chapter 2 outlines the research gaps identified in the relevant literature. Chapter 3 focuses on the philosophical underpinnings of the research and explains the reasons for choosing a qualitative research methodology. Chapter 4 provides information on the data collection methods carried out in the field, followed by an explanation of the techniques used for data analysis. Chapter 5 provides the interpretation and analysis of the collected data, and the last chapter of the dissertation discusses the findings and limitations of the research.

Chapter 2- Literature Review

2.0. Introduction

This chapter draws on empirical and theoretical literature in order to develop the theoretical underpinnings of the research. A brief outline of digital marketing and Big Data is used to explore the impact of digitisation on marketing. The aim of this chapter is to explore and discuss current views of the effects, challenges, and limitations of digitisation, along with the opportunities which digitisation offers in the field of marketing.

2.1 Digital Marketing and Big Data

In the early 90's, at a time of huge technological development and advances in digitisation, Parsons *et al* (1998) suggested that, in the new media environment, success in digital marketing could be achieved through such actions as attracting consumers to the application, and engaging with consumers by generating interest and encouraging participation. Figure 1.2 demonstrates five essential elements identified in this model along with examples of how to implement each element. It is clear from these five elements that the author puts a great deal of emphasis on the consumers' perspective and does not give as much consideration to how businesses might respond to digital changes.

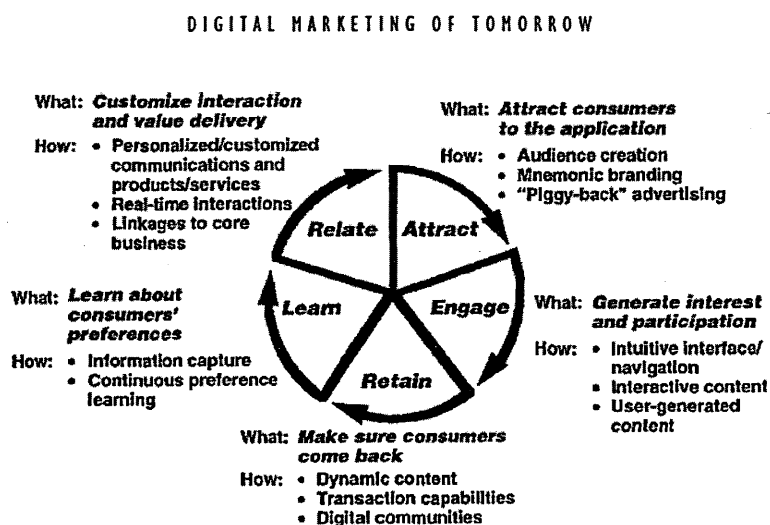


Figure 1.2. Digital marketing framework and levers (Parsons *et al*, 1998)

Today, in the digital age of marketing, some predictions of the effects of these changes have been realised. For example, the Internet has become one of the most important marketplaces for the purchase of goods and services. Web blogs, product reviews, product ratings, and discussion groups are new important sources of information about consumers' purchase behaviour. Based on this information, marketers are now able to develop new propositions about the way their customers use their product and services (Onishi and Machandra, 2012). Advances in IT allow businesses to put more and more emphasis on consumers, enabling the delivery of personalised services and keeping consumers interested by offering them rich, dynamic web-based tools.

However, there is still a need for greater insight into how these changes are affecting organisations (Dibb, 2012). Peltier *et al* (2013) also highlight that although the marketing literature offers insights for improving the effectiveness of digital changes, there is little research on how an organisation adopts its customer information. In addition it has not been fully explored what challenges are presented by adopting digital technology for managing customer information. There are many IT tools available for business, but the challenge is to adopt the right tool and use it for the benefit of both consumers and businesses (Peltier *et al*. 2013).

According to Jarvinen *et al* (2012), from the marketing perspective the availability of digital data creates two major opportunities for industry. Firstly, firms have access to an enormous range of digital tools which can be utilized for marketing purposes and secondly, the digital environment has made marketing more measurable by improving the ability of marketers to assess, collect, process, and report data on marketing activities (Pauwels *et al*, 2009).

Table 2.1 shows the benefits offered by digital marketing compared to traditional marketing.

Dimension	Traditional Marketing	Internet Marketing
Time perspective	Short-term Focus	Long term focus
Predominant marketing function	Marketing mix	Marketing mix supported on: <ul style="list-style-type: none"> • Customer Relationship Management • Enterprise Resource Planning • Relationship Marketing • Knowledge Management • Supply Chain Management
Distribution model	Traditional distribution	Disintermediation and cyber intermediation
Value Creation	Information was an element of support	Information has value, is an asset

Table 2.1: Traditional Marketing versus Internet Marketing (Tiago, M.T and Tiago, F. 2012)

There are different explanations, arguments, and views about the impact of digitisation on marketing strategy in the literature. Leeflang *et al* (2013) argues that recently digital changes have had a greater impact on the marketing strategies of firms than changes such as the entry of new competitors or changes in value chains. In their study “*Challenges and solutions for marketing in the digital era*” Leeflang *et al* (2013) found that in the past two years the most dominant challenges that affected businesses, particularly in the financial services sector were: Firstly, the increased accessibility of digital media, along with the ability to interact and serve customers in new digital environments; and secondly the use of marketing tools, the increased accessibility to digital data, and the ability to reach new customer segments. This research attempts to investigate the second challenge and explore related issues. It is clear that some sectors, such as the financial services sector, have access to rich data, but it has also been found that this data has not been used to its full potential for developing new marketing strategies.

In order to assess the existing arguments and explore how marketers are responding to the digital age, it is important first to define digital marketing, and to consider the challenges associated with it. A number of different definitions of digital marketing exist in the literature. According to Simply Digital Marketing (2012), for instance, it can be defined as “*a sub-branch of traditional marketing using modern digital channels for the placement of products such as downloadable music, and primarily for communicating with stakeholders e.g. customers and investors about brand, products, and business progress*”. However, according to Smith (2007), digital marketing refers to “*the use of digital technologies to create an integrated, targeted, and measurable communication which helps to acquire and retain customers while building deeper relationships with them*”. The second definition is clearly aligned with the digital marketing framework discussed above, which puts emphasis on the consumer’s needs, and the value of retaining these consumers by building relationships with them, whilst underlining the importance of using digital technology to these ends. By contrast, in the first definition, “digital technology” is assumed to be used for communicating information without much emphasis on a targeted, personalised approach that helps in building long-lasting relationships with consumers. In this research, the second definition of digital marketing will be adopted, and therefore the research will aim to investigate whether organisations are using digitisation to its full potential to both target and build relationships with customers, or are simply using digitisation as a means of communication with customers.

The most recent developments in the IT area have been triggered by growing amounts of digital data which, because of its size, variety, and complexity has been termed Big Data. The *Tech American Foundation* (2004) defines Big Data as “*large volumes of high-velocity, complex, and variable data that require advanced techniques and technologies to enable the capture, storage, distribution, management, and analysis of information*”. Big Data is seen as being very challenging to deal with, but at the same time very promising for improving healthcare, education, industry, and public services by implementing targeted and personalised services, which is one of the challenges for marketers. Krajicek (2013) argues that the greatest challenge associated with Big Data is the ability to focus “*on what is meaningful rather than on what is possible*”. With so much information at their fingertips, marketers and their research partners often fall into a “*more is better*” fallacy. Knowing something and knowing it quickly is not sufficient to make appropriate decision, so the real challenge for marketers lies in how to make sense of such vast amounts of information. Davenport, *et al* (2000) argued that there is too much focus on transaction data and not enough on turning it into information and knowledge which can lead businesses to improve their decision-making process.

There is an assumption that the availability of better-quality data enables organisations to have better information, leading to better knowledge and hence better decisions on their marketing strategies (Kennerley and Mason 2008). Better information, however, can only be retrieved from Big Data by carefully analysing it. Moreover, this information needs to be used to support decisions about marketing strategy, which includes the development of market segmentation strategies, which enable the efficient tailoring of marketing activities to customer characteristics. Simkin (2013) argues that the availability of Big Data makes segmentation more flexible and smarter than previously, when segmentation was based on limited data derived only from cluster analysis. However, in order to be of any significant value in this context, Big Data needs to be handled by people who have the necessary understanding of market dynamics and who are able to identify which aspects of the data are relevant and meaningful (Day, 2011).

According to Hemsly (2014) a whole range of new data sources such as web browsing, social data, and geotracking data can be used to develop more complete customer profiles, which support improved segmentation. Similarly, in direct marketing, the effective management of customer data is also of strategic importance, with accurate segmentation based on identified consumer profiles being a critical factor in reaching the defined targets. Ouden (2009) argues that having the right skills to construct, adjust, and explore the potential

of digital data is of key importance for marketing. According to Ouden (2009) having the right skills in place means that companies can:

- collect up-to-date information on customer wants and needs
- perform customer segmentation, thereby identifying the most valuable customer groups
- improve customer service
- follow market trends and respond to them with relevant actions

Digital data advances present huge opportunities in terms of understanding customers. However, the process of identifying and determining the best customers to target remains one of the most difficult goals for organisations to achieve. Quinn and Dibb (2010) report that the organisational integration of market-segmentation solutions in a new digital environment is an important but complicated task and one that has to be revised on a regular basis in order to achieve effective implementation. The barriers during the segmentation implementation process can be categorised as relating to “*operations, structure, leadership, resources, and skills, the marketing information system (MIS) and data, plus communication and coordination.*” (Dibb and Simkin, 2008, pp32). To this end, the successful implementation of the use of Big Data for improved marketing strategies remains to be addressed and further explored. This research will investigate the extent to which organisations are making use of Big Data and what challenges they are facing in the adoption of new tools for digital marketing. Furthermore, it will explore whether the availability of Big Data has any influence on segmentation in practice.

2.2 Effects and challenges of digitisation on the financial services sector

The effects and challenges of digitisation are felt in all sectors. Some, such as the retail sector, have been faster in utilising Big Data and its benefits (Big Data Analytics 2014). However, the past few years have witnessed a period in which the growing use of digital technologies in the financial service sector has created significant uncertainty (The Economist, 2012). The financial services sector in particular has experienced significant change over the last decade as the growing use and value of information technology has changed how services are delivered in the sector (Industrial Strategy, UK sector analysis 2012). Big Data technologies and new analytic capabilities have become the primary

platforms for innovation across business lines in today's financial services market (Big Data and Analytics, 2014). Information is the foundation for how financial services firms compete, and as it is one thing to have information about your customers, and quite another to be able to act on this knowledge (Oracel, 2012). The challenge that many organisations face is how to get insights from Big Data and apply those insights in ways that meaningfully impact their customers' experience.

Customer relationship management (CRM) tools play a role not only in managing communications with customers but also in capturing data that can be analysed and used for enhancing marketing strategies (Boulding *et al*, 2005). With more detailed information on consumers' needs and behaviour more targeted segments can be developed and so for this reason CRM tools must be fully integrated and utilised. CRM effectiveness is enabled by a combination of social and structural aspects such as a CRM approach that supports relationship building, as well as by technological aspects such as the effectiveness of the IS processes which facilitate customer data use (Dibb and Meadows, 2004). Batista *et al* (2010) view CRM as the strategic use of information, processes, technology, and people to manage the relationships of customers with the firm. Using this definition these authors acknowledge that CRM adoption requires the cross-functional integration of processes, people, and marketing capabilities enabled by information systems (Payne and Frow, 2005; Coltman, 2007). Richards and Jones (2008) consider "*CRM as a means of achieving strategic goals, defining it as a set of business activities supported by both technology and processes that is directed by strategy, designed to improve business performance in an area of customer management*". It has been argued that the wider range of forms of customer insight which CRM enables is changing the role of traditional segmentation (Dibb 2001). In theory, it has been suggested that for firms that have direct relationships with their customers, such as those in the financial services sector, greater access to data and use of CRM technology can better identify the most attractive future customers, understand their needs, and predict their behaviour (Bailey *et al* 2009). However, a number of research studies (Rigby, Reichheld, and Schefter 2002; Wilson, Daniel, and McDonald; Boulding *et al*, 2005) have found that often CRM projects fail to deliver the expected benefits and that CRM should be more strongly based on "good old-fashioned segmentation analysis". Rigby *et al* (2002) argue that implementing CRM without segmentation is like "*trying to build a house without engineering measures or an architectural plan.*"

Big Data has made the re-thinking of target market segments and value propositions faster and more flexible (Simkin 2013). However, the experience of firms in implementing CRM technology and how segments can be used in individual customer interactions have shown that transforming data into useful information is challenging for many organisations. Management of the data and exploring its potential for informing marketing actions has become not only a strategic option but almost a strategic necessity in financial service marketing (Gabrowska, 2013). It has been suggested that an opportunity exists for the sector to unlock the potential in data through analytics and shape the strategy for a business through reliable factual insight. Developing the capability and culture to bring data together from all corners of a business often requires professionalism in the area of data exploration (Simkin, 2013). Bailey *et al* (2009) suggest that organisations need to develop a common understanding of what customer insight is and how it is used within the organisation, including how it is used for market segmentation and CRM. Simkin (2013) suggests that the insights from CRM should be used to inform segmentation agendas and guide firms on how to engage with their customers.

2.3 Lack of general technical knowledge – a digital skill gap

Understanding the developments taking place as a consequence of digitisation is crucial for marketers, as these changes involve new customers, new brands, new markets, and even new market leaders. The marketing information revolution is producing vast amounts of data, with the consequence that new systems and skills are needed to translate these data into actionable information. The interaction between digital technology and organisations is complex and there are many barriers for effective digital change which are presented by Big Data. Research conducted by Royle and Laing (2013) has shown that one of the major barriers to digital adoption is the lack of general technical knowledge in firms, which refers to efficient use of mobile and web technology. The use of social media tools such as social networking sites, open discussion forums, and web blogs requires specific knowledge and new approaches (Weinberg and Pehlivan, 2011). Jarvinen *et al* (2012) have studied B2B adoption of social media and found a lack of employee capability in using digital and social media tools. This finding was noted as an important barrier and highlighted the idea that role overload and stress are higher in those firms where employees are not provided with adequate knowledge. Therefore, they suggest that firms should consider investing in capabilities to utilise digital tools, which can involve employee training, recruiting, or outsourcing from

specialised agencies (Jarvinen *et al* 2012). Jarvinen suggests that the greater the employees' support for new technological systems, the stronger will be the impact on performance of implementing these systems.

Evolving technologies clearly offer new opportunities and challenges for industry practitioners, educators, and academics. Marketing science articles that have influenced practice come in a wide range – however, Dibb and Simkin,(2009) argue that there is still a gap between the needs and the interests of academics and practitioners.

Closing the gap between marketing academia and marketing practice has been one of the most important issues in marketing. According to Myers (1979) *“marketing academics should recognise that the overall importance of research and knowledge development in this field, over the short-run or long-run, is to improve marketing practice and decision-making, and, in general, to advance the state of knowledge useful to the profession.”* It has been argued that the best work in marketing has come from collaboration between marketing scholars and managers who develop both “theories-in-use” and responses to difficult problems. However, Reibstein *et al* (2009) suggest that currently the gap between academia and practise is widening and the challenges facing marketing practice must be considered more closely. Lilien (2011) agrees with this view, highlighting the growing need for collaboration between academia and practitioners. He further argues that practitioners are the final consumers of marketing decision models, and if they do not recognise the potential benefits of academic theoretical development they are unlikely to adopt new approaches and gain value from them. Lilien (2011) believes that a successful academic-intermediary partnership should address the following points:

- there must be good visibility for the availability and benefits of marketing models as a precondition for their adoption
- managers will not use what they do not understand, and as there is a “digital skill gap” within the marketing field there is an ongoing need for education or training
- it is in the interest of both sides to determine what works and what does not work, meaning that academics and practitioners must work together to document the value of education and training, which should also be viewed as an investment and not as an expense (Lilien, 2011).

While marketing managers have prioritised the emerging need to understand how segmentation outputs can be implemented in practice, academic collaboration about developing and implementing market segmentation in practice remains a central concern.

Bailey *et al* (2009) also highlights that there are few prescriptions on how segments can be used in individual customer interaction. Advances in technology have introduced a need for a customisation strategy which aims to offer customers with individually tailored products and services (Kumar, 2006). However, evidence on what have been the effects of this real-time, individualised new digital era on marketing segmentation and targeting practices, including what actually works in practice, is very limited (Palmer and Miller 2003, Bailey, Baines, Wilson and Clark 2009).

There is also limited information in the academic literature about how those responsible for marketing activities in the firm view marketing strategy, and on how they approach strategy development. Also, the part played by digital challenges in shaping marketing strategic decision-making and how these challenges are adopted in practice in the decision-making process have not been fully explored and understood. Therefore this research aims to investigate and explore whether there is a gap between what is tactically possible and what is happening in practice, and how firms determine targeting priorities and shape their strategic marketing decisions.

2.4 Summary

This chapter presented secondary data on related topics to the subject under investigation. It reviewed the latest views and arguments around digital marketing and Big Data, the effects and challenges of digitisation on the financial services sector, and the lack of general technical knowledge in this sector. The current academic views and arguments around the topic have helped form the background of the research and have provided academic and theoretical grounding for the study.

Chapter 3 –Research Design and Methodology

3.0 Introduction

This chapter discusses in detail the research design and methodology that was followed to investigate the research problem and fulfil the objectives of the study. It also outlines the choice of epistemological and ontological stances, and discusses the methods used for data collection, highlighting ethical and political issues connected with the research.

3.1 The Design of the Research Project

A qualitative research design was implemented for the purpose of investigating the research question. Table 1 indicates the research methodology along with the data collection methods utilised during the research.

Main Research Questions	<p>What have been the effects of digital data on marketing segmentation and strategic priorities?</p> <p>How are the ever-increasing amounts of customer data being used to better understand and manage customers?</p> <p>How are targeting practices and other strategic decisions being affected?</p>
Research Method	Qualitative approach
Data Collection Methods	<p>Primary data sources: semi-structured in-depth interviews</p> <p>Secondary data sources: library sources, journal articles, books, archives. The annual reports of the <i>True Potential</i> network. The Google search engine.</p>

Unit of Analysis	Advisers at the <i>True Potential</i> network, UK
Sample	Independent financial advisers who were operating their business under the <i>True Potential</i> network UK. All respondents were self-employed.
Technique for Data Analysis	The thematic analysis constructionist method was chosen to examine and analyse data.

Table 3.1: Summary of research design

3.2 Research approach

The aim of any research is to investigate, learn, and produce knowledge by gathering information via examination or observation. This may involve action-research, case examples, laboratory experiments, consultation exercises, quantitative surveys, literature reviews, participant-observations, or participatory evaluations. It might be conducted by practitioners or academics from scientific or social science disciplines. The definition of social science research is *“A scientific undertaking which by means of logical methods, aims to discover new facts or old facts and to analyze their sequences, interrelationships, casualty explanations and natural laws which govern them. It applies scientific method to social inquiry on Human beings and their life contexts”* (Somekh, 2005, pp 4)

3.3 Research Design

According to Creswell (2003), before explaining the detailed research methodology it is important to explain the philosophical foundation of the research design. Research design is concerned with organising research activity, including the collection of data, in ways that are

most likely to achieve the research aims. Easterby-Smith *et al* (2002) argue that understanding the philosophical issues of research design is of central importance for three reasons. First, knowledge of research design philosophy can enable the researcher to clarify what kind of evidence is required and how it is to be gathered, as well as providing answers to the basic questions being investigated in the research. Second, this knowledge can help the researcher to recognise which research designs will work and which will not. Third, the knowledge can help the researcher to identify, and even create, research designs which may be beyond the researcher's experience.

The research philosophy represents the researcher's guiding assumptions about the nature of the world (Easterby-Smith *et al*, 2002). In general, two main philosophies, *positivism* and *interpretivism* are used for research design. There is an ongoing debate between philosophers about each (Easterby-Smith *et al* 2002; Creswell 2003). The fundamental idea of the positivism (quantitative) philosophy is that the social world exists externally, and that its properties should be measured using objective methods rather than being assumed subjectively by using observation, reflection, or intuition. In investigating a phenomenon, positivism makes an ontological assumption which sees "reality" in the study of a social phenomenon as external and objective (Easterby-Smith *et al* 2002). On the other hand, the phenomenological (qualitative) paradigm is viewed as a naturalist or interpretative approach, or as a constructivist approach (Creswell 2003). The philosophy of social constructionism assumes that reality is socially constructed, and has as its basis how people make sense of and view the world, especially through sharing their experiences. Accordingly, this view sees reality as something which is determined by people rather than by objective and external factors.

The adoption of a particular research paradigm influences the choice of research design and research methodology for the problem being investigated. Research design is concerned with making the research problem capable of being investigated by setting up the research in a way that will produce specific answers to specific research questions. Easterby-Smith *et al* (2002) suggest that a researcher must determine the research design at an early stage of the research project. It is a strategic choice and must play a central role in critical activities which have significant effects on the research as a whole.

It must be emphasised that different research methods are associated with each paradigm. Adopting the quantitative (positivist) paradigm leads the researcher to employ the

methodologies of experimental studies, longitudinal studies, cross-sectional studies, and surveys. On the other hand, adopting the qualitative (phenomenological) paradigm leads the researcher to employ the methodologies of action research, case studies, or grounded theory approaches (Hussey and Hussey 1997; Creswell 2003).

In this study, in order to better understand the impact of digital data on marketing strategy priorities and investigate how the increasing amounts of customer data (Big Data) are being used to better understand and manage customers in the financial services industry, the “realist” approach was employed. This allowed the researcher to examine multiple realities that are socially constructed by individuals within digital, political, and cultural contexts.

Epistemologically, this research adopted a social constructivist (*interpretivist*) approach as according to Saunders (2008) an interpretivist approach is highly appropriate in business and management research. This is a function of the fact that business situations are continually evolving and have become unique and complex. This research investigated the financial services sector following the adoption of Big Data and associated analytic tools.

The research employed qualitative approach rather than quantitative. There are several factors that led to this decision during the research design stage. Firstly, the nature of the problem under study was evaluated against a number of qualitative and quantitative methods. In order to be able to understand how those responsible for marketing are integrating organisational and marketing challenges within their strategy development process was believed to be better described and discovered by qualitative research, as qualitative research seeks to explain the current situation within the group under investigation (Lowhorn, 2007). Secondly, the qualitative approach allowed researcher to focus on how actually firms are operating rather than on their performance and other output measures. Finally, from the review of the literature on impact of new digital environment on marketing strategic decision making process it is clear that deploying qualitative data gathering methods : case study, in-depth interviews, observations or focus groups has been widely used to learn and explore current situation in the marketing research.

For the purposes of the investigation this research used Independent financial advisers from the *True Potential* network as a unit of analysis. The *True Potential* is one of the most innovative financial services groups in the UK today. The *True Potential* recruits independent (self-employed) financial advisors to work as part of the network, providing them with

advanced technology for delivering services to clients. Currently, the group works with over 22% of the IFA market.

As outlined in previous sections, this research has been conducted as part of the Masters of Research programme. Due to the time limit within the programme, looking at bigger sample size for data gathering was not feasible. At the research design stage it was agreed that the sample size of 10 participants would be acceptable for this research, considering the scale of it. However, this decision was made with a view that bigger sample size would be looked at the next stage of this research which will be carried out as part of the PhD studies.

Thus, the initial sample size was 10 participants, whose details and contacts were provided by the company. However, only 7 participants were available for interviews during the timeframe of the conducted research. The financial advisers were chosen by *True Potential* based on their work experience. Some of them had long experience with the network and better understanding of the *True Potential* system. Others had just joined the company and had less knowledge of the new digital environment. The qualitative approach allowed the researcher to gather data on the financial advisers' perceptions. By analysing this data, it was possible to explore what the views of the participants', therefore the financial advisors of the *True Potential* Network, were regarding the digitisation and working in new challenging digital environment. The *True Potential* network, the sample and findings will be further discussed in the following chapters.

3.4 Methods of Data Collection

In general, there are two primary data and secondary data collection methods that can be used by any marketing research.

3.4.1 Primary Data Collection Methods

This research adopted a mainly qualitative approach for primary data collection. A qualitative approach attempts to increase understanding of why things are the way they are in the social world and why people act the way they do (Tuli, 2010). According to Denzin and Lincoln (2000) qualitative research is concerned with understanding the meanings which people attach to phenomena (actions, decisions, beliefs, values) within their social worlds (Denzin and Lincoln, 2000). For this reason, using qualitative methods of data collection will bring more insight to the subject under question.

Qualitative methods of data collection include methods of in-depth interviews, focus groups, observation, and telephone surveys. Each of these methods may include multi-methods, which can be used alongside other methods, for example in-depth interviews which may include structured and unstructured interviews can be used alongside questionnaires (Creswell 2003). The following sections describe why semi-structured in-depth interviews were used for data collection in this research.

3.4.2 In-depth interviews

According to Boyce and Neale (2006) in-depth interviews are useful when the researcher wants detailed information about a person's thoughts and behaviours or wants to explore new issues in depth. The primary advantage of in-depth interviews is that they provide much more detailed information than is available through other data collection methods, such as surveys. These types of interviews were chosen for this project because of a number of advantages or strengths they present with regard to the proposed research aims and questions.

This study aimed to consider the effect that digitisation and the move toward 'Big Data' is having on how customer relationships are managed in the financial services sector. As discussed above, seven financial advisers from the *True Potential* network participated in this research. Four face to face and three phone semi-structured, in-depth interviews were conducted with these financial advisers in order to obtain an improved understanding of how advisers capture and use the available data; what challenges they face in so doing; and how this is impacting on their ways of working. This approach also allowed the researcher to explore the question of how financial advisers are handling the opportunities and challenges brought by digital changes. Semi-structured, one to one interviews were designed with a view of using the questioning technique. This approach allowed detailed discussion on the subject, at the same time encouraging the participants to expand on particular areas of their interest/concern further and to express their views. Furthermore, the researcher adopted an informal style, and each interview followed a flexible format. For data accuracy, the researcher sought permission from each participant for the use of a digital recorder and note-taking. Each interview lasted around an hour and was for academic research purposes only. The interview questions were piloted as suggested by Clough and Nutbrown (2012) in order to 'try out' equipment techniques, questions, and the recorder before the interview proper. A number of pilot interviews were conducted with researchers from the Open University Business School, which helped the researcher assess the quality of the recordings and the

suitability of the questionnaire for gathering required information from the participants. The final interview questions are presented in Appendix 'A' while Appendix 'B' provides "the research project information".

3.4.3 Secondary Data Collection Methods

Secondary data collection methods are used to obtain necessary background information from different sources. The secondary data collection sources which were used in this research were:

- Library sources, marketing and information system/management journals (with 3*-4* rankings) which publish papers in these areas, such as "*The Journal of Marketing Management*", and "*The Journal of Marketing, Information and Management*". Books relevant to the subject and research method were also used.
- Relevant electronic sources over the Web and Internet, such as: "*Business Dictation*" <http://www.businessdictionary.com/> and "*Marketing Week*" <http://www.marketingweek.co.uk/>.
- Conference papers and related material in other libraries.
- UK Financial service industry annual reports and newsletters <http://www.big-data-forum.org/>.
- The annual reports of *True Potential* network such as "*Thoughts, Actions, Results - A Review of 2012.*"

3.5 Ethical considerations

The data for the study, which was wholly based in the UK, were collected over a period of approximately two months during the summer of 2014. Due to the nature of this research, data gathering was always likely to include sensitive information of the kind which requires ethical consideration. Therefore, the study followed ethical standards and the code of practice established by the High Education Institutions (HEI).

Ethical approval was sought from the Human Research Ethics Committee (HREC) at the Open University and the guidelines in <http://www.open.ac.uk/research/ethics/human.shtml> were stringently followed.

The second category of data (secondary) was gathered from sources such as publicly available web forums, documents, and surveys. All of the materials have been referenced and used in a way appropriate to the prevention of plagiarism. The main challenge for the researcher with this type of data was to narrow down the collected data to a manageable quantity.

3.6 Summary

The research was explanatory in nature, using a realist approach to examine multiple realities in order to better understand the impact of digital data on marketing strategy priorities and investigate how the increasing amounts of customer data (Big Data) are being used to better understand and manage customers in the financial service industry. The primary data collection method employed consisted of qualitative semi-structured interviews.

Chapter 4- Data Collection and Analysis

4.0 Introduction

This chapter describes the methods of data collection employed in this research. In particular, it discusses interviews, sampling, and the unit of analysis, along with a description of the analysis methods deployed.

4.1 The Data Collection Process

The choice of qualitative research method informed the decision regarding data collection methods. As outlined in the previous chapter, the primary data were collected through in-depth interviews. The secondary data were collected from various sources such as UK financial service industry annual reports and newsletters, media reports, and the annual reports of the *True Potential* network.

4.1.1 In-depth interviews

In order to investigate the research questions, a total of 7 in-depth interviews with financial advisers were conducted. The interviews were recorded on a digital audio recorder and the average duration was about an hour. The interview questions were designed to elucidate the participants' opinions on the following:

- What challenges does an adviser face when capturing and dealing with a client's digital data?
- How does access to such data alter the relationship between an adviser and their client?
- How does this change working practices?
- How does an adviser manage their clients?
- What are the implications for how an adviser determines their business priorities, manages their portfolio of clients, and grows their active client base?

The format of interview was flexible. For 3 participants who agreed to face-to-face meetings the time and location of the interview were based on the participants' preferences. For the 4 other participants a face-to-face meeting was not convenient and so for each a phone interview was arranged instead, the timing of the call being agreed upon in advance. (Appendix, C). This approach enabled participants to feel comfortable, which was believed to be important - according to King and Horrocks (2010) participants who do not feel physically comfortable and emotionally relaxed in such situations are less open and are less likely to give complete and useful answers. To obtain the trust of respondents, as suggested by Easterby-Smith *et al* (2008), each interview started by the researcher introducing themselves to the participant. Prior to the questioning phase of the interview each participant was provided with a hard-copy version of a description of the project (Appendices A and B). The researcher then verbally informed the respondent about the time required for the interview and the conditions of confidentiality, and gave a brief summary of the researcher's background. Each interview was recorded with the permission of the participants, and the recording method made it possible for the researcher to catch and replay any details that were missed during the note-taking. In addition, handwritten field notes were used to support the transcriptions.

4.1.2 Unit of analysis

The research used the *True Potential* network as a unit of analysis. *True Potential* is one of the most innovative financial services groups in the UK today, currently working with over 22% of the IFA market. For the last 6 years *True Potential* has been committed to change and so is heavily involved with and dependent on new technology. "*True Potential's "award-winning in-house technology, the Wealth Platform, is engineered with the future in mind - delivering innovation, choice, control and value. Wealth Platform and client websites reach right to the heart of the client's world in a simple, effective and unique way."* (True Potential, A Review 2012, pp5). Their goal-based technology allows clients to set goals for their retirement (or any future event, for example repaying a mortgage), and to track their progress against that goal - daily, if required.

True Potential's fully-integrated Wealth Platform is designed specifically for financial services and is used for communication between advisers and their clients. This system allows clients to view their personal financial affairs from a convenient location. They have access to real-time valuations on the accounts that adviser hold for them, and they are able to

analyse and track their investments anytime with different devices including web, iPod, and Android. The “Secure Message” service exchange allows their web-site to host fast and efficient information transfer between adviser and client. With this system advisers have access to useful details about their client which can help them judge whether something extra, or something different, can be done for a particular client.

4.1.3 Sampling

A “judgement sampling” technique was used to select appropriate participants for the project. Judgement sampling is also known as *purposive sampling* and *authoritative sampling* and is a type of sampling technique where the researcher selects units to be sampled based on their knowledge and professional judgement. Although the respondents chosen for the project were working as independent financial advisers at the *True Potential* financial network, they were all self-employed and were running their businesses from different locations around the UK. All the participants had more than ten years' experience of working in the financial services industry, but their respective experiences varied at the time they each joined the *True Potential* network, with some having more experience of working within a new technology environment and others being new-starters with less experience of this type of environment. Therefore, these participants were well-suited to provide professional opinions regarding the effect that digitisation and the move towards ‘Big Data’ are having on how customer relationships are managed in the financial services sector - Table 4.1 provides detailed information about each respondent’s experiences.

NO	Job Title	Experience in financial sector	Experience in True Potential
1	Independent Financial adviser	30 years	6 months
2	Independent Financial adviser	6 years	1 year

3	Independent Financial adviser	40 years	8 months
4	Independent Financial adviser	13 years	1 year
5	Independent Financial adviser	27 years	1 year
6	Independent Financial adviser	25 years	1 year
7	Independent Financial adviser	25 years	4months

Table 4.1: interviewee profile

4.1.4 Data from Secondary Sources

In addition to the in-depth interviews, data were also collected from various secondary sources. To obtain background information on the *True Potential* group on how they started, where they are now, and what their aims and objectives are, the researcher used the group's annual reports and reviews, which were available from their web-site. Various academic journals such as the *Journal of Marketing*, the *International Journal of Marketing*, and the *Journal of Marketing Management* were used, among others, to develop the background of the research and to provide academic and theoretical grounding for the study. Secondary data sources provided broader information in the investigation process and helped the researcher to build in-depth knowledge and to form ideas around the topic under investigation.

4.2 Data Analysis

After the data collection stage it was important for the data to be stored and managed in a professional way. Once the data were available, the next step was to analyse the data using previously chosen analysis methods. Thematic analyses were chosen due to the fact that this kind of analysis organises and describes data-sets in rich detail, and provides detailed understanding about people's everyday experience of reality, so as to gain an understanding of the phenomenon in question (McLeod, 2001). In addition, and as thematic analysis does not require detailed theoretical and technological knowledge of approaches such as grounded theory and discourse analysis, it can offer a more accessible form of analysis, particularly for those with limited experience in qualitative research (Braun and Clarke, 2006).

Furthermore, this research did not focus on the motivation or individual psychology of each participant, but was conducted to examine multiple realities that are socially constructed by individuals within certain digital, political, and cultural contexts. For the thematic analysis a constructionist method was chosen to examine and analyse data. During the first stage all the interviews were transcribed into written form, and as the process of transcription is time-consuming and requires professional technical knowledge, all the data were transcribed by the *Way With Words* company. The transcribed data in written form was analysed using Braun and Clarke's (2006) six phases of analysis guidelines as follows:

Familiarisation with data - For accuracy the transcripts were checked against the original audio recordings. The next step was to become familiar with the data, which involved intensive reading and concentration. Relicensing and re-reading were carried out a number of times to gain an in-depth understanding and to find the "themes" or repeated patterns of meanings within the data. Once all the notes had been taken, they were colour-coded to aid the coding process.

Generating initial codes - This phase involved organising the data into meaningful groups. Similar segments of information were identified which helped the researcher narrow down the raw data in a meaningful way with regards to the overarching research questions. Coding was done manually, with coloured pens used to indicate potential segments of data. When the codes were initially identified then they were matched up with data extracts which instantiated that code.

Searching for Themes - After the initial coding, the next phase involved sorting the different codes into potential themes. The themes were identified with a latent approach, which involved interpretive work. The data were examined and searched for key themes to form initial ideas and assumptions. Careful consideration was given to identifying the relationship between codes and different levels of themes which captured the essence of the overall research questions.

Initially, the themes were influenced by the questions asked to the participants, therefore at that stage they were theory-driven. What follows are the initial themes which have been identified in this phase:

- Changes resulting from digitisation
- Benefits arising from digitisation
- Challenges arising from digitisation

Reviewing for themes - During this phase each theme was broken down into subcategories as shown in Table 4.2.

Themes No 1	Subcategories	Themes No2	Subcategories	Themes No3	Subcategories
Changes resulting from digitisation	1.Things are recorded more digitally 2. Time-saving 3.Source of data gathering 4.Faster communication	Benefits of digitisation	1. Interactive process 2. Accurate process 3. More efficient 4.Time saving 5. Quicker access to information 6. Client with their own secure online site can check anytime 7. Convenience 8. Continual information updates	Challenges of digitisation	1. Digital skills 2. Elderly people 3. IT literature 4. Educate client 5. Not enough experience working in new digital environment

Table 4.2 Themes and Subcategories

To form these subcategories, the data were searched again for the repeating descriptors of each theme. After reviewing the themes and their subcategories, other important themes emerged from the interview data, such as: *Source of data gathering* and *Lack of technical knowledge*. This was achieved as a result of discovering in the data certain repeating patterns which related to questions but which were not fully covered in them. It became apparent that some terms were repeatedly brought up during discussions which were only marginally related to the ideas behind the terms themselves. Instances of newly emerged themes such as

Source of Data Gathering and *Lack of Technical Knowledge* were themselves broken down into categories in the same way as the themes shown in Table 4.3

Themes No 1	Subcategories	Theme No 2	Subcategories
Source of data gathering	<div>1. Networking</div> <div>2. Look at different web sites (LinkdIn, Unbiased Vouchers for which)</div> <div>3. Publications</div> <div>4. Directly from client</div> <div>5. Fact finder establishes current position of client</div> <div>6. Public domain</div> <div>7. Publication</div>	Lack of Technical knowledge	<div>1. Work experience</div> <div>2. Knowledge build up</div> <div>3. Best practice</div> <div>4. Not enough training</div> <div>5. Age group</div>

Table 4.3: Emerged themes and sub-categories

Defining and Naming Themes - At this point the researcher identified the essence of each theme and determined which aspect of the data each of them represented. Overall, there were 5 themes identified, with a set of subcategories for each. Chapter 5 provides detailed information about the final themes and the analysis of research data within them.

Producing the report - This phase involved writing up the report about research data to convince the reader about the validity of the analysis. The next chapter provides a detailed description of the data interpretation that informed the themes.

4.3 Summary

This chapter provided a detailed review of the data collection and analysis process. Thematic analysis of eight interviews from independent financial advisers was discussed and presented. This chapter has also presented a background on the unit of analysis, the *True Potential* financial service network, who provided access to the study's participants.

Chapter 5 - Interpreting Data

5.0 Introduction

This chapter provides a detailed description and interpretation of the research data transcripts of the interviews with the seven independent financial advisers. The main research questions which this research attempted to answer were:

- What have been the effects of digital data on marketing segmentation and strategic priorities?
- How are the ever-increasing amounts of customer data being used to better understand and manage customers in the financial services sector?
- How are targeting practices and other strategic decisions being affected by the availability of Big Data in the financial services sector?

The gathered qualitative data was analysed and is presented in this chapter in relation to the research questions.

The first section of this chapter presents remarks from the respondents regarding the current Big Data opportunities and challenges, highlighting the variability in digital skills and abilities of both financial advisers and their customers. The second section discusses the respondents' views with regards to a relationship between better quality customer data and the decision-making process, while the next section explains the respondents' perceptions of how their targeting practice and other strategic decisions are being affected by the availability of Big Data. The last section discusses the emergent need for more technical and marketing skills to construct, adjust, and explore the potential of digital data. In the summary new emerging themes, issues, and limitations are discussed.

5.1 Big Data-related opportunities, issues, and challenges in the financial services sector

There is evidence in the literature (Jobber and Chadwick, 2013; Hemsley, 2014) that Big Data and its strategic use enables firms to collect real-time information on consumer wants and needs and help them identify the most valuable customer groups to be targeted. One of the main objectives of this research was to investigate whether and how the suggested potential of Big Data is achieved in the financial sector. In order to gain an understanding of

how financial firms are affected by the availability of Big Data and advanced technology, and how they are responding to the challenges and rewards which can result from digitisation, the first step in this research was to investigate whether the Big Data opportunity and the benefits associated with it had been adopted fully in the financial firms. Analysing 7 independent financial advisers' views and experiences it was found that the impact of digitisation and its benefits are indeed fully felt in the sector. Advisers believed that, in their practice, digitisation definitely brought greater efficiency for the whole process, resulting in improved engagement and understanding of the clients. Moreover, all respondents pointed out that the reason for joining the *True Potential* network was that *True Potential* offers an advanced technology-based environment. The independent financial advisers found *True Potential's* IT system for communicating with clients to be very efficient and secure.

There was a common feeling among the interviewees that for those who operate alone as an independent adviser - as well as for any other financial services provider - the availability of such technology is invaluable. FAD 1 commented:

"One of the reason I went to True Potential six month ago was because it offered something I couldn't get anywhere else, which was to give me my clients access to their financial details, investments, policies all this things. Technology makes my life easier, I can get access to information faster rather to wait for it to be posted. I can log on, download client information, break down on their portfolios and evaluate faster"(FAD 1)

The main benefit named by most of the advisers was the improved communication which resulted from using interactive, accurate, efficient, and time-saving technology. One of the advisers commented that this technology had completely changed the way she was operating her business:

"Well, it's changed, massively, how I do business. When I set up by myself, last year, I joined True Potential Network primarily because of the technology So, for someone who works on their own, having that resource where I can immediately, you know, access data – and there's marketing that's produced on the back of it – you know, is invaluable for me. I can effectively act as a big company, even though I'm actually, you know, one person, by myself. So, it's changed massively" (FAD 4)

However, there were some advisers who could see the promise and opportunity of the use of both Big Data and advanced technology but could not yet experienced it. As well as creating commercial opportunities, technological advances and changes also pose significant

challenges in the sector. The challenge of familiarising themselves with the advanced technology and to educate clients in its use and benefits is a common theme between respondents. One adviser commented:

“Well,.Specifically, to me it’s been a little bit more challenging initially because I’m perhaps not as IT literate as perhaps some of the younger advisers are because I’ve been doing this job for quite a long time. So the initial challenge has just been to familiarise myself with the process and feel comfortable with it, which is something I’m still doing. And I suppose to educate my clients. Similarly, obviously some of my clients are older. Whilst most people now use the internet freely, it still requires some educating your client in terms of actually working in a different way...”(FAD, 3)

FAD 1 also had strong feelings about this:

“Absolutely yes, and I’m, to be honest, I’ve only been doing it for six months, I’m only just really starting to get my head around everything that we can do. A lot of my clients have not been used to being able to log on and get updated values on their investments or their policies, so, this is a chance for me to educate them to say, so, what we actually do, and I do it, is I actually log online with them, and just say, look, this is a demo of what your account looks like, get yourself logged on and have a little look. (FAD 1)

There was an acknowledgement from the research participants that the integration of digitisation is a complicated process which needs to be revisited on an almost continuous basis in order to achieve effective implementation. One of the biggest challenge that advisers named is that both advisers and clients need to take time to familiarise themselves with the new technology. Clients may not always fully engage with the technology due to a lack of technical skills – certainly there is a strong evidence in the literature that one of the barriers against the adoption of digital marketing is the digital skill gap (Dibb and Simkin,2008, pp32; McAfee and Brynolfsson, 2012; Royle and Laing, 2013). Although most of the current research explores the digital skill gap which exists within organisations, there is little work done in terms of exploring what impact the digital skill gap between clients is having on the organisations. When it comes to such financial services products as insurance and pensions, the majority of advisers admitted that they experienced difficulties in using the full opportunity offered by digitisation with clients of a certain age group. One of the advisers advised that:

“Some of the clients that you deal with are older and because it’s very much an internet based system they just refuse to use. Not because they don’t like idea of using the system, they just don’t use internet at all, full stop.” (FAD 3)

Issues associated with this group of clients included concerns about security and privacy. Not having something tangible, such as a document which summarised their financial affairs, seemed to be problematic for some clients, and the main issues associated with such clients related to how to get them to engage with the system. As one of the advisers commented:

“Getting them to use system.. there’s a lot of functions that are available, and I know I could do a lot more with clients if they were engaged on their side, with, you know with the digital stuff”(FDA 5)

FAD,1 strongly agreed and pointed out that if clients were engaged with the system more and used its full potential he could get more up to date information and use it to give more informed advise to them.

“Actually if the client used the system to its full potential, what I would do is, I could put basic client information on, supply them with their log on details and say to them, look ,before I come and see you, Just log on to it and just put some of the information top of your head. They could put, you know, how much their mortgage is and you know what is their goal. They could do that themselves if they wanted to”(FAD,1)

Issue to engaged client with online system seems to be common for the advisers. FAD, 6 also commented that:

Some of the people I’ve had are not sure with their investments and things being able to be accessed online, so, as I said, I would produce a client website, so that client can log in and see how their investment is performing or how their pension is performing and few of them whatever reason, are still a bit uneasy and say, oh, I don’t like...you know, I don’t like doing things online. But I tend to find that that’s the older clients, you know, from, maybe, sort of, 60upwards.(FAD, 6)

This research also found that the issues associated with the clients’ digital skill gap and their reluctance to engage with a digitally-driven solution create a major barrier to the full and effective digitisation of an organisation.

5.2 Relationship between better quality customer data and decision-making process

As discussed in the above section, the era of the Internet and digital information has introduced new solutions and opportunities. In the literature it is assumed that the availability of better-quality data can improve the strategy-related decision-making process (Kennerley and Mason 2008). It was suggested that with the right analytical tools transforming data into useful information can support decisions about marketing strategy, including market segmentation strategies, which enable an efficient tailoring of marketing activities to customer characteristics.

However, a number of respondents believed that there is no identifiable relationship between digital data and the decision-making process. As FAD 3 commented:

“Well, no, I suppose it... no, I’d say the process is the same. You know, I wouldn’t say it’s changed anything so much, other than, perhaps, you have to be more exact about things, because the data is all there and recorded and you have to have an order trail, and it has to be chronologically correct, etc. So yes, maybe the decision-making process might be slightly sharper, but ultimately it hasn’t changed it” (FAD, 4)

Some of the respondents believed that digital changes and the availability of Big Data played significant roles in shaping their marketing strategic direction and decision-making process. Some of them also agreed that digital data (including real-time data) resulted in an improved understanding of their customer’s wants and needs, but this did not mean that the respondents were talking about the potential of Big Data specifically. While they acknowledged that using information in a timely manner helps them to make more informed and correct right decisions, FAD 1 commented:

“Yes, I suppose it does, I mean, I deal with my clients differently now than I would have done before, you know, because, even the choices I’m making, I’m making choices on recommending things for my clients, based on, not on cost, but based on what they’re going to get, so, you know, I might go for a product which is not the cheapest on the market, but actually will give them more access and give them better, you know, transparent information on their holdings.”(FAD 1)

There was also common acknowledgement about the benefits of Big Data and its role in helping to keep in contact and deal with their existing clients, however, the difficulty inherent in identifying and determining which potential new clients to target remains one of the most common issues in the sector.

5.3 Targeting approach

5.3.1 Obtaining new clients

The research found that in order to obtain a new a client nearly all of the advisers were still relying only on networking (friends, family, existing client recommendations). The absence of general marketing analytic and technical skills to explore all the opportunities offered by digitisation to reach new potential customers was problematic for many advisers. New data analytical tools for data collection strategy, fundamental to helping a business expand its digital marketing insights, were not fully adopted. Only a few of the advisers mentioned some of the digital marketing techniques such as: social media networks (VouchedFor, LinkedIn, Unbiased) or online publications as a source for data gathering to reach a wider audience and hence potential customers.

“for example, that within one or two law firms that I work, that every May, May each year, new partners come into the law firm so how do I... well, I know that because historically that’s what I’ve done. How do I obtain the data? Well, I simply look at the firm’s website and the publications in terms of, because it’s in the public domain, in the announcements what they will announce, new partners being made up so that’s how I obtain.” (FAD, 3)

One of the advisers mentioned that using some of the social network sites such as (Google, DueDil) helps her to gather information in advance of meeting a new client. Information gathered from such sources has the potential to enable her to take a more targeted approach when the meeting with the client is in progress.

“I would use resources like that, so that when I go to see them, you know, I’ve got... maybe, I’ve got an agenda as well, and I know, potentially, I can speak to them about what the original meeting was, but also there may be other areas – because I’m aware of how they work – that I can bring up. So, definitely, yes... I would definitely use resources like that, to find out about them first” (FAD, 4)

5.3.2 Managing existing customers

All the advisers acknowledged the invaluable role played by technology in gathering data for existing clients. The *True Potential* network has created an organisational culture which uses data to better understand their customers, and through their *Fact Find* system advisers are able to generate and leverage deeper customer insight. Gathering data directly from the clients through the *Fact Find* system was the most common way to establish the existing client's position with regards to the respondent.

"Fact Find, so it's a process that we go through to establish the client's current position. So you ask them questions about lots of different areas of their finances, incomings, outgoings, assets, liabilities, all different things in terms of finding out where the client is at this moment in time in terms of their position."(FAD 2)

Access to such information has resulted in advisers having a better understanding of each client. Based on this information advisers could alter the number of active and passive clients and could make better decision on which customers to focus on and target.

"I can look at each client and see how much money I've earned from them, how much money they have, and I can segment them in terms of, you know, maybe, future business. So, a lot easier to keep track of who you're dealing with and prospects and things, yes, definitely"(FAD 4)

Some of the advisers advised that the digital data they were able to access about their client enabled them to target them better, and meant that they would be less likely to miss an opportunity to offer a new, potentially useful financial services product.

"For example if they've got, I don't know, a big life event coming up, like they're about to retire or they're..you know, they're about receive some money a maturing policy, being able to make sure that you're contacting that client at the right time."(FAD, 2)

5.4 Overall issues and limitations

Analysing the views of respondents with regards to what they believe was the biggest challenge they face in the digital era has shown that one of the major barriers to digital adoption in their opinion is the lack of general technical knowledge of how to use IT systems and data. The respondents acknowledged that there are obvious opportunities in the digital

age with so many information technology systems in place, along with a pronouncedly data-driven culture existing within the organisation. However they do not have full understanding of what works in practice and how to fully exploit these opportunities. The research has identified challenges inherent to digital technology (lack of familiarity with new technology, the need to develop best practice, the need for familiarity with media tools, and the role of digital marketing techniques) as a gap within the industry skill set.

The most significant digital marketing skills gap faced by the financial services sector which emerged from the research relates to the lack of knowledge of the full potential of Big Data and its benefits to marketing strategies. Digital change seems to be linked to use of systems for communications but regrettably not for analysing customers' behaviour or needs in order to arrive at a more personalised and targeted approach. It is felt that fundamental skills gaps existed in the sector and that they will have to be further explored in order to identify what needs to be put in place to narrow these gaps.

Most of the advisers acknowledged a need for more training. For example, the 4 days of training they had before they started in their position does not appear to be sufficient to fully acquaint them with all the opportunities offered by the technology platform. Again, advisers were talking about general technical knowledge and not even considering new marketing analytical tools available for them in this stage, which indicates that the potential of Big Data is not fully understood in practice.

"We are still in the early days, as I explained to you, so we're still learning the procedure and the processes it's a lot more reliant on technology than I've been used to in working in previously"(FAD, 3)

Working as a sole trader and not having a trained manager capable of providing support with using and fulfilling the potential of technology was another common weakness identified by participants.

"So for example, at the moment I'm just setting up a system to able to search for mortgages for clients and I'm finding it quite difficult to..because I've not been trained on the system, so I now need to be trained how to use system by the actual provider so it's an external provider, you see. So I need to be trained properly how to do it so that I know how to use the system"(FAD 2)

Some of advisers find it difficult to become familiar with a new system. However, there were a few advisers who found a solution for how to deal with the difficulties associated with using new systems and analytical tools by higher qualified person who could help dealing with it.

“It’s my data analysts’ job to deal with data and get the most from it.” (FAD 6)

5.5 Summary

This chapter provided a detailed review of the data analysis. It also discussed the research data transcripts of the interviews with the eight independent financial advisers. Transcripts were analysed in order to answer the main research questions. The main findings and limitations will be discussed in Chapter 6

Chapter 6: Findings and conclusion

6.0 Introduction

This chapter discusses the findings and limitations of the research and builds on the analysis presented in Chapter 5. The first section provides a summary of the research findings, the second section explains the limitations of the research, and the last part provides the overall conclusion of the research.

6.1 Research findings

By analysing the experiences related by 7 independent financial advisers from the *True Potential* network and their views about dealing with digital technology and data, this researcher has found that in financial service firms there are a number of issues related to the introduction and adoption of advanced digital technology and the Big Data being generated by this technology. The overall findings are:

- Financial advisers are well aware the benefits of using IT systems and tools for managing customers and building/maintaining relationships with them;
- They acknowledge the changes which are brought by digitisation;
- Using digital technology to its full potential has not been achieved due to a lack of skills for using advanced technology demonstrated by both advisers and clients;
- The understanding of what Big Data is and how marketing can benefit from its use is limited as very often this data is understood simply to mean systems such as CRM.
- There is a lack of understanding of how Big Data could provide advisers with information for taking a more targeted approach, such as identifying micro-segments and providing a personalised approach.

Analysing the findings in relation to the research questions resulted in some conclusions being drawn as related in the following questions:

- What have been the effects of digital data on marketing segmentation and strategic priorities?

Within the unit of analysis, the *True Potential* network, there is full understanding and acknowledgement of the benefits of digitisation and the use of advanced IT systems for more effective and timely communications with customers. However, Big Data and its potential impact on marketing strategies are not well understood due to a lack of knowledge about Big Data and analytic tools.

- How are the ever-increasing amounts of customer data being used to better understand and manage customers in the financial services sector?

Some web-based tools are being used by financial advisers to gather better information on their clients but the ever-increasing amounts of customer data are not being used in the way suggested in the literature by marketing theory experts. This is again due to a skills gap and limited knowledge of the current theoretical knowledge on Big Data and its impact on marketing.

- How are targeting practices and other strategic decisions being affected by the availability of Big Data in the financial services sector?

There was no evidence found that targeting practices and other strategic decisions are being affected by the availability of Big Data.

6.2 Limitations of this study

There were several limitations to this research. First, the research was conducted as part of a one-year *Masters in Research* degree programme. The number of participants was limited due to time limitation. Second, the samples employed in this research were only independent financial advisers operating within *True Potential* network. Analyses were done only on a limited set of data and the research would have benefited from analysis of a wider spectrum of alternative opinions from financial advisers operating in different networks such as a bank or a private insurance company. Also, including the opinions and experiences of marketing managers would have strengthened the validity of the findings. Third, data was collected only from interviews - other sources such as observations or focus groups would have maximised the research findings and made the argument stronger. Observing and recording the behaviour of financial advisers in natural situations when they are dealing with customer

information or being faced with challenges during their working practice would have granted the researcher a more detailed understanding of the phenomena under study.

For these reasons, in order to establish the generalizability of these findings, more research needs to be done based on the questions raised by the conclusions of this research.

6.3 Future research

This study was carried out as part of the MRes dissertation and therefore was conducted in a relatively small scale. However, the results demonstrated that the area under investigation requires further exploration and research on a greater scale. Several future research directions can be suggested. Firstly, as there was no evidence found how targeting practices and other strategic decisions are being affected by the availability of Big Data future studies are required to investigate it in depth. It is possible that the small sample size did not generate enough data for generating solid answers to our research questions. As described before, in-depth interviews were undertaken with 7 independent financial advisors who were running their businesses under *True Potential* financial network UK. It is suggested that the same network is approached again and the number of participants is greater for the future research. Future study should also investigate the digitisation question and related challenges across a wider range of financial sectors. This would require including both public and private sectors such as banks and insurance companies. It is also suggested that the *True Potential* network must be further explored in order to further examine impact of Big Data on marketing targeting practice and other strategic decision making processes.

Secondly in order to test the external validity of the results of this research, it should employ a wider range and number of sample. Sample employed in this research was limited due to time limitation. Analyses were done only on a limited set of data. Therefore it is important to investigate *True Potential* network further with a greater number of participant.

In this research there was some evidence that due to a skill gap and limited knowledge of current theoretical knowledge on Big Data and its impact on marketing the even –increasing amounts of customer data are not being used in the way suggested in the literature by marketing theory experts.

It will be interesting to investigate views and opinions of marketing managers, analytical tool and IT managers from the *True potential* network. This might give different scenario as those people are more closely engaged with implementation of the digitisation process. This will allow us to draw some comparison between those ones who make decision based on theory and with those who deal with it in practice. At the same time it will be interesting to investigate alternative opinions from financial advisers operating in different networks such as a bank or a private insurance company.

Finally a combination of different methods of data collection should be considered for future research e.g. via observation and from online surveys.

Instead of relying on the interview data from the financial advisers exploring questions on what they do and how they do, more additional data can be obtained through observation. This method will particularly useful in understanding how actually customer relationships are managed in the financial services sector and use of technology in these settings. . Observing financial advisers working process will improve understanding of how advisers capture and use the availability of data, what challenges they face and how this is impacting on their way of working.

However, for the further triangulation of the qualitative findings of this study with quantitative data from a survey involving a large sample of financial organisations would be helpful.

Conclusion

In summary, this research was designed to answer the questions:

- What have been the effects of digital data on marketing segmentation and strategic priorities?
- How the ever-increasing amounts of customer data are being used to better understand and manage customer in the financial services sector
- How targeting practices and other strategic decisions are being affected by the availability of Big Data in the financial services sector

The literature review showed that there are different explanations, arguments, and views about the impact of digitisation on marketing strategy. It was argued by Leeflanget *al* (2013) that in the past two years the most dominant challenges affecting businesses, particularly in the financial services sector were: firstly, the increased accessibility of digital media, along with the ability to interact and serve customers in new digital environments; and secondly the use of marketing tools, the increased accessibility to digital data, and the ability to reach new customer segments. However, the majority of these works were confined to the specific issues.

The results generated some interesting findings. First, there is some understanding and acknowledgement of the benefits of digitisation and the use of advanced IT systems for more effective and timely communications with customers in financial services firms. Second, some web-based tools are being used by financial advisers to gather better information on their clients. However, Big Data and its potential impact on marketing strategies are not well understood due to lack of knowledge about the Big Data and analytic tools. The ever-increasing amounts of customer data are not being used in the way suggested in the literature by marketing theory experts. Consequently the full potential of Big Data and its benefits are not fully explored in the industry.

The research produced some useful preliminary insights, however, leaving a considerable number of issues to be addressed for future research, providing researcher with the opportunity to expand research at the PhD level.

Bibliography

Bailey, C, Baines, P, Wilson, H. and Clark, M. (2009) "Segmentation and customer insight in contemporary services marketing practice: why grouping customers is no longer enough". *Journal of Marketing Management*, 25(3), 227-252

Bileviciene, T. (2012) "Opportunities and development of implementation of multiple statistical methods in marketing" International scientific conference practice and Research in Private and Public sector –2012. April 26 –27, 2012

Boyce, C and Neale, P. (2006) "Conducting In-Depth Interviews: A Guide for Designing and Conducting In-Depth Interviews for Evaluation Input", Pathfinder International.

Brynjolfsson, E and Schrage, M. (2009) "The new faster face of innovation. Thanks to technology, change has never been so easy-or so cheap. Wall street journal and sloan management review.

Braun, V and Clarke, V, (2006) "Qualitative Research in Psychology" Using Thematic Analysis in Psychology. DOI: 10.1191/1478.

Batista, L. (2010) "New business models enabled by digital technology" NEMODE case study report on the fashion retail sector

Boulding, W, Staelin, R, Ehret, M and Johnston, W. J (2005) "A customer relationship management roadmap: what is known, potential pitfalls, and where to go", *Journal of Marketing*, Vol. 69 (October), pp. 155-166.

Business Dictation (2014). Available at:

<http://www.businessdictionary.com/definition/market-segmentation.html#ixzz2M1bGwXyJ>.

[Accessed 20 June 2014]

Big Data Analytics (2013). Available at:

<http://www.sas.com/offices/europe/uk/downloads/bigdata/eskills/eskills.pdf>. [Accessed 15

June 2014]

Creswell, J. (2003) "Research Design. Qualitative, Quantitative and Mixed Methods approaches. Second Edition. Sage Publication.

Colman, T. (2007) "Can superior CRM capabilities improve performance in banking".

Journal of Financial Services Marketing, 12(2):102-114

Clough, P and Nutbrown, C. (2012) "A Student's Guide to Methodology". SAGE Publication

Dibb, S and Meadows, M (2004), "Relationship marketing and CRM: a financial services case study", Journal of Strategic Marketing, Vol. 12, pp. 111-25.

Dibb, S and Quinn, L (2010) "Evaluating Market-Segmentation Research Priorities: Targeting Re-Emancipation", Journal of Marketing Management, Vol.26, Iss13/14, pp.1239–1255

Dibb, S, (2012) "Market segmentation an old story with new twist", Open University Business School. Available at: <http://levittgroup.org.uk/pdf/2012/speakers-notes/Sally-Dibb.pdf>. [Accessed 15 August2014]

Dibb, S and Simkin, L (2008) "Market Segmentation Success" *Making it Happen!*The Haworth Press. Taylor and Francis Group.

Day, S. G. (2011) "Closing the Marketing Capabilities Gap" Journal of Marketing. Vol. 75, 183-195

Davenport, T, Harris, J, De Long, D and Jacobson, A. (2000) "Data to Knowledge to

Denzin, N. K. and Lincoln, S. (2000) "Introduction: The Discipline and Practice of Qualitative Research." In Handbook of Qualitative Research (pp. 1- 29). Thousand Oaks: Sage

Easterby-Smith, M, Thorpe, R and Jackson, P. (2008) "Management research". Sage pub.

Results – building an analytic capability". Institute for Strategic Change. Andersen Consulting.

Gabrowska, J. (2013) "Significance of Database Marketing in the Process of Target Segments Identification and Service. Problem of Management in the 21st century. Volume 6

Hemsley, S, (2014) "Big data: Embracing the elephant in the room". Marketing Week. Available at: <http://www.marketingweek.co.uk/big-data-embracing-the-elephant-in-the-room/3030939.article>. [Accessed 5 June 2014]

Hussey, J. and Hussey, R (1997) "Business Research: A Practical Guide for Undergraduate and Postgraduate Students." London, Macmillan.

Harvard Business Review (2014) Available at: <http://hbr.org/>. [Accessed 25 July 2014]

Jarvinen, J, Tollinen, A, Karjaluoto, H, and Jayawardhena, C, (2012)“Digital and Social Media Marketing Usage in B2B Industrial Section”.The marketing management journal. Volume 22, Issue 2, pages 102-117

Jobber, D and Chadwick, F, (2013) “Principles and Practice of Marketing” McGraw Hill Higher Education; 7th Revised edition edition.ISBN-13: 978-0077140007

Kotler, P and Armstrong, G, (2011) “Principles of Marketing” 14th ed., Person Prentice Hall, New Jersey

Kumar, V, Venkatesan, R. and Reinartz, W. (2006) “Knowing what to sell, when, and to whom”, Harvard Business Review, Vol.84, No.3, pp.131-137

Karlsoon, D and Darnfors, D (2012) ”Towards a new paradigm in market Segmentation” Linnaeus University SE-391 82 Kalmar/SE-351 95

Krajicek, D, (2013) “How Big Data Becomes Better Decisions: The Insight Hunters” Available at:

<http://blog.gfk.com/2013/05/how-big-data-becomes-better-decisions-the-insight-hunters-role/>. [Accessed 15 June2014]

King, N and Horrocks, C.(2010)”Interviews In Qualitative Research” Sage Publication.

Kennerley, M and Mason,S.(2008) “The Use of Information in Decision Making

Literature Review for the Audit Commission” Available at: http://archive.audit-commission.gov.uk/auditcommission/sitecollectiondocuments/AuditCommissionReports/NationalStudies/Cranfield_Information_use_review.pdf. [Accessed 5 August 2014]

Lin, C. (2002) "Segmenting Customer Brand Preference: Demographic or Psychographic", *Journal of Product & Brand Management*, Vol. 11, pp.249-268

Lilien, G. (2011)" Bridging the Academic-Practitioner Divide in Marketing Decision Models". *Journal of Marketing*.Vol.75,196-210

Lattice engines (2014)"Big data for sales." Available at: <http://www.lattice-engines.com/uploads/resource-center/whitepapers/documents/LatticeEngines-eBook-Big-Data-Big-Sales.pdf> [Accessed 1July 2014]

Leeflang, S.H, Verhoef, P. C, Dalstrom, P, Freundt, T. (2013) " Challenges and solutions for marketing in digital era" *European management journal* 32 92014 1-12

Lawhorn, G. L. (2007) "Qualitative and Quantitative Research: How to Choose the Best Design". *Business World International Conference. Nashville, Tennessee*

Lovelock, C and Wirtz, J, (2001)"Services Marketing: People, Technology, Strategy". 4th edition. Prentice Hall, Slide.

Marketing Week (2014) Available at: <http://www.marketingweek.co.uk/>. [Accessed 15 August, 2014]

McLeod, J.(2001)"Qualitative research in Counselling and psychotherapy" Sage Publication

McAfee, A and Brynolfsson, E.(2012) “Big Data: The Management Revolution” Harvard Business Review. Available at:<http://hbr.org/2012/10/big-data-the-management-revolution/ar>. [Accessed 15 August, 2014]

Mathur, M and Samma, S. (2010) “A Study on Customer Relationship Management Practices in Selected Organised Retail Stores in Udaipur City“ Pacific Business Review - A Quarterly Refereed Journal.

Myers, J. (1979) “What is the appropriate orientation for the marketing academician? In: Conceptual and Theoretical Developments in Marketing”, American Marketing Association, Chicago, Il p 62

Oracel, (2012) “Big Data for enterprise” Available at:<http://www.oracle.com/technetwork/database/bi-datawarehousing/wp-big-data-with-oracle-521209.pdf>. [Accessed 15 August, 2014]

Ouden, V. (2009) “Increasing revenue through the use of Customer Relationship Management as a tool” Available at:
<http://www.google.co.uk/url?sa=D1&ei=plsRVIunKsmXat2XgOAO&usg=AFQjCNHduzF4GxAxrmkkgX9DyBgu7dMPtQ&bvm=bv.74894050,d.ZGU>. [Accessed 20 August]

Onishi, H and Manchanda, P. (2012) “Marketing activity, blogging and sales”. International journal of research in Marketing, 29 (3),221-234

Parsons, M. Z and Waitman, R. (1998) “ Organizing Today For The Digital Marketing Of Tomorrow”. Journal of interactive Marketing. John Wiley & Sons, Inc. and Direct Marketing Educational Foundation, Inc. CCC 1094-9968/98/010031-16

Peltier, W, Zahay, D and Lehmann, D. R.(2012) “Organisational learning and CRM success: A model for linking organisational practices, Customer data quality and performance.” Journal of interactive marketing 27 1-13

Pauwels, K, Ambler, T, Clark, H, Lapointe, P, Reibstein, D, Skiera, B, et al (2009) “Dashboards as a service: Why,What, How, and What research is needed? Journal of service research, 12 (2), 175-189

Reibstein, D, Day, G, and Wind, J. (2009) “ Guest editorial: Is marketing academia losing its way? Journal of Marketing, 73, 1-3

Royle, j and Laing, A. (2013) “The digital marketing skill gap: Developing a digital marketer model for the communication industry”. International Journal of Information Management 34 65-37.

Roberts, J. H, Kayande, U, Stremersch, S. (2013) “From academic research to marketing practice: Exploring the marketing science value chain” Intern. Journal of Research in Marketing.

Rigby, K, Reichheld, F and P. Scheffer. (2002)“Avoid the four perils of CRM”. Harvard Business Review 80(2): 101-109.

Richard, K and Jones, E. (2008)” Customer relationship management: Finding value drivers” International Marketing Management 120-130

Palmer, R. and Millier, P. (2003)“Segmentation: identification, intuition, andimplementation”,Industrial Marketing Management, Vol.33, pp.779-785.

Payne, A and Frow, P. (2005) "A strategic framework for customer relationship management", Journal of Marketing 167-176

True Potential. (2012) "Thoughts, Actions, Results." Available at: <http://www.tp1lp.com/resource-centre/>. [Accessed 12 August]

Tiago, M. T and Tiago, F . (2012) "Revisiting the Impact of Integrated Internet Marketing on Firms' Online Performance: European Evidences" Procedia Technology 5 (2012) 418 – 426

Tech American Foundation. (2004) Demystifying Big Data-IBM. Available at: <http://www-304.ibm.com/industries/publicsector/fileserv?contentid=239170>. [Accessed 15 August, 2014]

Tuli. F. (2010) "The Basis of Distinction Between Qualitative and Quantitative Research in Social Science: Reflection on Ontological, Epistemological and Methodological Perspectives. Ethiop". . Vol. 6 No 1

The Economist (2012) Available at: <http://www.economist.com/business-finance>. [Accessed 15 August, 2014]

Sunders, M. (2009) "Research Methods for Business Students" Sage Publication

Simply Digital Marketing. (2014) "What is digital marketing?" Available at: <http://www.simplydigitalmarketing.com/what-is-digital-marketing> Accessed 17.02.12 [Accessed 20 August 2014]

Simkin, L. (2013). "To Boardrooms and Sustainability: The Changing Nature of Segmentation" The Henley Centre for Customer Management. Henley Business School, University of Reading.

Smith, R. D. (2001) "Managing Organizational Knowledge as a Strategic Asset". Journal of Knowledge Management, Volume 5, Number 1, 8-18.

Somekh, B. (2005) "Research Methods in the Social Sciences" Sage, London, 2005.

World Economic Forum (2012) Available at: <http://www.weforum.org/events/world-economic-forum-annual-meeting-2012>. [Accessed 20 August 2014]

Weinberg, B. D, and Pehlivan, E. (2011) "Social spending: managing the social media mix". Business Horizons, 54 (3), 275-282

Wilson, H., Daniel, E., & McDonald, M. (2002) "Factors for success in customer relationship management (CRM) systems." Journal of Marketing Management, 18, 193-219.

Wymbs, C. (2011). "Digital marketing: The time for a new "Academic Major" has arrived". Journal of Marketing Education, 33(1), 93-106.

ZDNet (2014) "Big Data: Big Hype or Big Hope?" Available at: <http://www.zdnet.com/>. [Accessed 15 June, 2014]

Appendix A

Big Data Challenges and Opportunities for Financial Advisors

The research project

The project aims to consider the effect that digitisation and the move toward ‘big data’ is having on how customer relationships are managed in the financial services sector. In particular, we will investigate how the ever-increasing amounts of customer data are being used to better understand and manage customers, and how customer targeting practices and other strategic decisions are being affected.

As the availability of customer data escalates, there is evidence that firms have become more adept in their use of analytics to gain reliable insights from that data. Such insights influence how customers are managed and can help to shape strategic priorities. However, as well as creating commercial opportunity, this customer data also poses significant challenges for those working with it. We want to understand how financial sector firms are responding to the challenges, the rewards that they are gaining, and to understand the implications for customer management and strategic priorities.

Relevance to True Potential

True Potential’s commitment to a technology-driven approach to wealth management makes the firm an ideal site for data gathering. The technological platform which the financial advisor network uses to manage clients exemplifies the potential of enhanced data availability to empower clients, generate business opportunities, and strengthen customer relationships. This research project provides the opportunity to study how the financial advisors are handling these opportunities and challenges:

- What challenges do advisors face when capturing and dealing with this kind of client data?

- How does access to such data alter the relationships between the advisors and their clients?
- How is the data changing working practices around how advisors manage their clients?
- What are the implications for how advisors determine their business priorities, manage their portfolio of clients, and grow their active client base?

In conducting this research, we are committed to aligning academic research in marketing with the needs of business.

What we seek from you

We aim to conduct research interviews with 10-12 advisors in the True Potential network. The interviews would cover a range of issues concerning how advisors capture and use the available data on the platform, what challenges they face in so doing, and how this is impacting on their ways of working.

Each interview would last for one hour and would be for academic research purposes only. The interviews would be conducted by Ketty Grishikashvili, a scholarship student on the Open University PhD programme. We adhere to the highest standards of ethical practice and confidentiality in handling interview data.

We hope there will be the opportunity in the future to develop the research into a larger scale study of the advisor network.

What we can offer in return

We will happily share our conclusions with you and provide an overview of our findings. We hope, for example, to offer valuable insights from the advisor community about good working practices around the use of client data and also to shed light on some of the challenges faced. These insights might help to shape future training and support for the network, or even offer further clues on how to support advisors in activating their non-active client base.

Prof. Sally Dibb, Open University Business School

Maureen Meadows, Open University Business School

KettyGrishikashvili, Open University Business School.

Appendix: B

Interview Questions

Respondents Name

Interview Day

Respondent background

1. Could you please tell me your current role, how long have you been working in this position and what are your responsibilities?

2. Tell me about your working day, what you do, how you spend your time.

Current Big data approach and changes

The increased accessibility of digitally sourced data and advanced technology to analyse it drives many industries to digital change. Many businesses are talking about the potential of big data and they believe that analysing big data sets can help businesses derive competitive insight and shape their marketing strategy decisions.

3. What has been the impact of digital era on the way that your business operates?

4. Can you talk me through some examples of any changes?

5. What particular challenges have these changes brought?

6. From what sources do you gather data about your clients, what approaches do you use, what data gathering tools,

7. What is your experience of working with client data?

8. How willing are clients to share their data with you?

9. Do you gather data from sources other than the client him/herself, e.g. 3rd party data?

10. Do you share information and/or best practice suggestions with other Financial Advisors?

Current targeting approach

As the availability of customer data escalates, there is evidence that firms in many sectors have become more adept in their use of analytics to gain reliable insights from that data. The insights which are achieved obviously influence how customers are managed and can help to shape firms' strategic priorities

11. Has access to digital data resulted in you having a better understanding of customers? In what ways is your understanding better?

12. Has access to this data resulted in you managing your customers in a different way? What makes a customer attractive in business terms changed?

13. Have these changes affected decision making process? (is there any deference difference between before and now?)

14. Has it changed which customers you focus on and target? Has it altered which customers you focus on?

15. Has it altered the number of 'active' customers that you are working with?

16. How is access to this kind of client data changing the strategic direction for your business?

Digital skills

One of the major barriers to digital adoption is a lack of general technical knowledge when handling the data. Investing in the capabilities needed to use digital tools appears to be appraise to be the key factor for effective digital change.

17. What technical knowledge/background do you have?

18. What processes do advisers go through before they start their role?

19. How often do you have training about some the technical tools and/or software packages that you are using?

20. Which packages and tools do you use?

21. What difficulties do you face when using new tools?

Closing questions

22. What are the big (remaining) challenges you face when dealing with customers?

Appendix: C

Email Text for Participants

Dear Sir/Madam

My name is KettyGrishikashvili, and I am a scholarship postgraduate research student at the Open University where I am studying for a PhD in marketing. My supervisors are Sally Dibb, who is Professor of Marketing, and Maureen Meadows, who is Head of the Marketing and Strategy Department.

My research project aims to consider the effect that digitisation and the move toward ‘big data’ is having on how customer relationships are managed in the financial services sector. In particular, I am investigating how the ever-increasing amounts of customer data are being used to better understand and manage customers, and how customer targeting practices and other strategic decisions are being affected.

I want to understand how financial sector firms are responding to the challenges, the rewards that they are gaining, and to understand the implications for customer management and strategic priorities.

Many thanks in advance for agreeing to give up your time for an interview. I am also grateful to True Potential for the support that they have offered in the process.

From the interview I want to find out:

- What challenges does an adviser face when capturing and dealing with this kind of client data?
- How does access to such data alter the relationships between an adviser and their clients?
- How is the data changing working practices around how an adviser manages their clients?
- What are the implications for how an adviser determines their business priorities, manages their portfolio of clients, and grows their active client base?

The interview will take no more than one hour and will be arranged at a time and on a date to suit you. Data from the interview will be used only for academic research purposes and will not be attributable to the individual supplying it. The data will be handled in accordance with data protection rules.

Please let me know your availability for an interview between the 7th and 30th of July. Please also let me where you would like to meet.

I look forward to meeting you.

Best wishes

Ketty Grishikashvili.